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SIPDIS

USTR FOR GBLUE and VICTORIA KADER; DEPARTMENT FOR EB/TPP/BTA and
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SUBJECT: SRI LANKA: 2010 NTE: REPORT ON SANITARY AND PHYTOSANITARY
(SPS) AND STANDARDS-RELATED FOREIGN TRADE BARRIERS

REF: SECSTATE 105978

COLOMBO 00001009 001.10 OF 002

ZFR ZFR ZFR ZFR - COLOMBO 1009 WILL BE RESENT UNDER A NEW MRN - ZFR ZFR

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SANITARY AND PHYTOSANITARY (SPS) MEASURES

17. (U) POULTRY: Sri Lanka has banned the importation of U.S. chicken meat that is not mechanically deboned. During the October 2009 United States-Sri Lanka TIFA meeting, Sri Lanka openly admitted that this measure was in place to protect its domestic industry and contended that this was permitted under the use of a WTO safeguard mechanism. The U.S. government responded that if this were the case, that safeguard should be formally raised within the WTO. Additionally, Sri Lanka had imposed avian influenza bans on all poultry and poultry products imported from several U.S. states. As of October 2009, these bans were all removed. Sri Lanka imposed these bans due to the detection of low pathogenicity notifiable avian influenza, an action which is not supported by the World Organization for Animal Health (OIE). Sri Lanka was reluctant to remove the bans and continues to believe that their actions were justified - raising concerns that such action may reoccur.

18. (U) BEEF: A ban on U.S. beef imports remains in effect due to the detection of bovine spongiform encephalopathy (BSE) in the United States in 2003. This ban is also not supported by the OIE, and Sri Lanka is one of five countries in the world to have taken absolutely no action to lift any part of their BSE-related U.S. beef ban. This issue was raised during the October 2009 TIFA. Sri Lanka defended their position by incorrectly citing the guidelines and recommendations of the OIE's guidelines for meat and poultry.

19. (U) MICROBIOLOGICAL TESTING OF MEAT IMPORTS: In September 2009, Sri Lanka started 100% testing of all imported meat products for various pathogens. This policy change was not notified to the WTO. Importers have complained that the additional demurrage costs associated with the testing are unnecessary, and that government testing methods are not sound. The U.S. Department of Agriculture additionally argues that the USDA Food Safety Inspection Service attestation which mandatorily accompanies all meat exports is a sufficient assurance of wholesomeness. During the October 2009 TIFA, Sri Lanka was asked to provide its regulation on

microbiological testing, especially as it relates to their testing protocol, targeted pathogens, and acceptable pathogen levels. The U.S. government also emphasized the importance of notifying the WTO SPS committee of this regulation.

¶10. (U) SEED POTATOES: Sri Lanka lifted a ban on imports of seed potato from the United States in March 2007. The ban was initially put in place due to fears that the Colorado Potato Beetle (CPB) could be introduced into Sri Lanka via seed potato imports. However, Sri Lanka now requires a certificate from a plant entomologist stating that the CPB does not exist in the potato tuber to accompany the seed potato imports. The United States has pressed for the removal of this certificate requirement on the grounds that it is not scientifically justified.

¶11. (U) Additionally, Sri Lanka requires unreasonable virus tolerance levels for seed potatoes and overly restrictive requirements on generation that USDA is unable to meet. In July 2009, a Sri Lankan team including an official from the Department of Agriculture (DOA) visited the U.S. on an industry/inspection visit to review the issue. Although Sri Lanka requires zero tolerance for viruses, post-shipment tests of seed potatoes from other countries presently supplying Sri Lanka have detected viruses, despite the virus-free certification provided by these countries to the Sri Lankan DOA. The APHIS/USDA area representative met with DOA officials in September 2009 and discussed the matter. The APHIS representative provided a list of viruses present in Sri Lanka and presented a draft protocol for seed potato importation. Although the DOA subsequently recommended a Pest Risk Assessment (PRA), APHIS has questioned the need for a PRA since extensive discussions, industry visits and exchange of letters have taken place on this issue. The DOA will respond to APHIS in this regard after consultations among its officials. Virus tolerances and restrictive generation requirements need to be resolved before the Sri Lankan market can grow into a strong commercial export market for U.S. seed potatoes.

¶12. (U) Information contained in this cable will also be provided to requesting offices as a Word document via email. Questions should be directed to EconOff Ken Kero-Mentz at keroaka@state.gov.

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